(d) and (e) FIs have evolved guidelines in respect of nominee directors appointed by them on the Boards of assisted companies. These guidelines also take into account instructions issued on the subject by Government from time to time. The nominee directors are expected to act in the best interest of the company and also safeguard the interest of the FI concerned. If a FI is not satisfied with the performance of a nominee director, it can withdraw his nomination from the Board of the company concerned.

Evasion of income tax by private companies

6944. SHRIMATI MALTI SHARMA:
SHRI RAJ NATH SINGH:

Will the Minister of FINANCE be pleased to refer to answer to Unstarred Question 1047 given in the Rajya Sabha on the 21st March, 1995 and state:

(a) whether it is a fact that M/s. Design, M/s. Indure and M/s. Ash Handling, a group of companies, East of Kailash, New Delhi have acquired assets disproportionate to known sources of income;

(b) if so, whether Government have enquired into the malpractices adopted by the said companies viz. floating different companies to run the same business to evade income tax; and

(c) if so, the details thereof and if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKARA MURTHY): (a) to (c) As stated in reply to Unstarred Question 1047 there are no income-tax records of M/s. Design and M/s. Indure of East of Kailash, New Delhi. If the Hon'ble Members are refering to M/s. Design (P) Ltd., Design House, Greater Kailash-II, New Delhi and M/s. The Indure Ltd., Indure House, Greater Kailash-II, New Delhi records do not indicate that these companies are in possession of assets other than those reflected in their balance sheets or that they are evading income-tax by floating different companies. There is no concern with the name of M/s. Ash Handling at the above address.

Annual Report of ASIA Development Bank

6945. SHRI SUSHILKUMAR SAHBHAJIRAO SHINDE:
SHRIMATI VEENA VERMA:

Will the Minister of FINANCE be pleased to state:

(a) whether Government's attention has been drawn to the Asia Development Bank's Annual Report, 1994 released in April this year, suggesting that inter-regional cooperation in Asia by promoting cross border trade; and

(b) if so, what is Government's reaction to the two main suggestions made in the report for cross border trade promotion and for development of inter-regional corporation for Asian development?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKARA MURTHY): (a) Yes, Sir.

(b) While breadly endorsing the Bank's efforts to foster greater regional cooperation, the concrate suggestions made in the Asian Development Bank's Annual Report would be kept in view while considering the Govt's policy in this regard.

Investment Protection Guarantee Treaty

6946. MISS SAROJ KHAPARDE: Will the Minister of FINANCE be pleased to state:

(a) whether there is any proposal for an Investment Protection Guarantee Treaty with the U.S.A.; and

(b) if, so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKARA MURTHY): (a) and (b) Whereas India and USA have exchanged their respective negotiating

texts, they have not commenced negotiations on an Investment Protection Agreement.

Visit of US Treasury Secretary

6947. SHRIMATI VEENA VERMA:
SHRI SUSHILKUMAR
SAMBHAJIRAO SHINDE:

Will the Minister of FINANCE be pleased to state:

(a) whether during the recent visit of the US Treasury Secretary to New Delhi, arrangements were discussed and arrived at for ensuring a two way fast flow of investment and for providing due protection to such investment; and

(b) if so, the details of the talks and the outcome thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKARA MURTHY): (a) and (b) During the visit of the US Treasury Secretary to India from 17th to 20th April, 1995, the focus of discussions related to strengthening of economic and commercial relations between India and USA. The current policy initiatives and the environment which was conducive to investors, and would facilitate enhanced investments in the country was also recognised. The extensive opportunities for increasing US investments, particularly in the core infrastructure sectors were highlighted during discussions. In the light of discussions, it was accepted that both countries would continue to work closely with each other to promote further private investments from USA to India, as also to strengthen bilateral economic and commercial relations. Negotiations for Bilateral Investment Promotion and Protection Agreement did not take place during the aforementioned visit of US Treasury Secretary to India.

Appointment of director in ITC

6948. SHRI S. AUSTIN: Will the Minister of FINANCE be pleased to state:

(a) whether ICICI Securities appointed a Director on the Board of India Tobacco Company in an unusual manner;

(b) if so, what are the compulsions of ICICI Securities to appoint directors at odd hours;

(c) whether Government have given approval for such an appointment in this manner;

(d) whether any guidelines exist for post scam behaviour of financial institutions; and

(e) the steps being taken to review the management actions of ICICI?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKARA MURTHY): (a) Industrial Credit and Investment Corporation of India Limited (ICICI) has reported that ICICI Securities and Finance Company Limited (I-Sec) has not appointed a director on the Board of Indian Tobacco Company.

(b) and (c) Do not arise.

(d) Reserve Bank of India have *inter-alia* issued guidelines to financial institutions with regard to investment portfolio-transactions in securities and prudential norms for income recognition, asset classification and provisioning.

(e) The Board of Directors of All India Financial Institutions (AIFIs) such as ICICI are responsible for monitoring the activities of the institution. The Government monitors the position of overall sanctions and disbursements made by the AIFIs and appoints its nominee directors on the Board of AIFIs. Besides, the matters of General policy nature and of common interest to AIFIs are discussed with Chief Executives of AIFIs in meetings held from time to time.

राष्ट्रीयकृत बैंकों के कार्यकरण का निरीक्षण

6949. श्री राम जेठमलानी :
श्रीमती सुषमा स्वराज :

क्या वित्त मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या सरकार द्वारा राष्ट्रीयकृत बैंकों के कार्यकरण के निरीक्षण हेतु एक